

Comments of the California Farm Bureau Federation on the RETI Phase 1B Draft Report Dated November 4, 2008

The California Farm Bureau Federation (“Farm Bureau”)¹ is a member of the RETI Stakeholder Steering Committee and submits these comments on the Phase 1B Draft Report (“Report”) consistent with the outlined schedule.

The Report provides a useful starting point for assessment of the on-the-ground implications of the state’s policy directives to move to a standard that requires 33% renewable power by 2020. The processes and discussions leading to the Report clarified the areas, which will require consideration as the effort for continued growth of renewable generation moves forward. Of particular concern to Farm Bureau have been the discussions and modeling impacting private agricultural land in the context of proxy projects. Yet, to date those concerns have been addressed sufficiently and it is expected they will continue to be, as set forth below in more detail.

As with any study or analysis with such a broad range of issues, there are limitations about how it can be or should be used. The Report clearly lays out those limitations with qualifying language. Because the qualifications, as discussed next, provide an important context to the results, Farm Bureau does not here suggest any significant changes to the Report. Although as has been discussed by the SSC, how some of the information is carried forward to the next stage of analysis may require revisions to the Report.

¹The California Farm Bureau Federation is California’s largest farm organization with over 91,000 members in 53 county Farm Bureaus. CFBF is a voluntary, nongovernmental, nonpartisan organization of farm and ranch families seeking solutions to the problems that affect their lives, both socially and economically.

The Report is A Beginning for Further Assessments

Several points throughout the Report make clear that it is meant to be a catalyst for further assessments and decisions beyond RETI's influence.

As stated in the Executive Summary, succinctly, (page ES-4):

The results of the economic assessment and the environmental assessment described below are intended only to guide initial planning of the transmission facilities necessary to meet state renewable energy goals. The assessments are not intended to usurp local, state or federal project permitting authority, nor to impinge on the ability of renewable energy to be developed in other areas.

Furthermore, as to the ranking developed for the environmental assessment, (page ES-5):

The numerical values are intended only to indicate relative levels of concern. Their relative magnitudes have been used for purposes of comparing CREZs. They do not and cannot represent actual environmental impacts.

Stakeholders found a place to start the discussion, which is in itself of significant value and not to be discounted. But, as the report reiterates in various provisions there is much left to be decided.

Important too are the qualifications placed in the discussion of geographic areas identified as both suitable for project development and what should be excluded from development. It's clear that by necessity some very broad generalizations have to be made to achieve the goals identified of RETI, in order to be useful as a tool and analytical methodology to evaluate renewables.

The exclusions have simply been applied for the purposes of determining potential developable resources and performing high-level transmission planning. It is very important to emphasize that

the purpose of these exclusions is for conceptual transmission planning and not to recommend specific project siting and land use decisions. Conversely, candidate lands shown as “open” for development should not necessarily be assumed to be appropriate for siting plants either. All projects will still need to proceed through all local, state and federal permitting processes; RETI does not supercede these authorities. Finally, much of the land identified as part of this assessment is privately owned. RETI does not intent to interfere with the decisions of private landowners in any manner. (Page 3-5)

The foregoing is again reinforced in the overview of the Environmental Working Group Report as follows (page 1-1):

The assessment performed by the EWG of potential environmental concerns associated with energy development in CREZs is intended to provide guidance to RETI on the relative merits of development in these areas for the purpose of designing conceptual and specific transmission plans, and is *not* intended for use in evaluating the merits of individual projects. The EWG did not consider specific issues related to any individual project, which may be proposed to be developed in the CREZs or elsewhere. Moreover, the EWG’s assessment of CREZs was limited to issues for which statewide data were available. Accordingly, the EWG’s CREZ assessments do not reflect the actual environmental impacts or issues relating to any individual project. All individual projects must undergo site-specific environmental review by the appropriate permitting agency on all issues of potential significance as required by law; the EWG’s CREZ assessments do not supercede local, state and/or federal permitting processes and were not intended to be used in the context of permitting individual projects.

Especially in the context of proxy projects it probably can’t be emphasized enough that assumptions about the likelihood of such projects going forward have to be extensively qualified. In the case of proxy projects identified on private property in particular, identification of appropriate resources has limited relationship to the appropriate or agreed upon use of the land by the landowner. The proxy projects identification process, however, was necessary for eliciting

the perspectives and concerns that arise about specific projects. The chart in the EWG Report (appendix D) characterizing the land ownership within the CREZs reflects the significant amount of acreage held in public hands in California. Appropriate multiple use of public lands is incorporated in the analysis of projects and should be retained.

Agricultural Land is an Important Resource in the State

Agricultural resources were frequently the subject of discussion, as efforts to examine locations for renewable projects were pursued. Most of the discussions about the relationship of agricultural resources to the RETI process arose through the EWG. Like many of the stakeholders Farm Bureau has worked toward realistic approaches to the analysis required for RETI.

The issue of the treatment of privately held agricultural resources arose in the context of both screening out lands for suitable proxy projects and then in the use of appropriate criteria for ranking CREZs once the projects were identified. Importantly, the Report screens out Williamson Act lands in placement of solar proxy projects. (The purpose of the Williamson Act for preservation of agricultural land is addressed in the main body of the Report as well as the EWG Report.) As a second step the EWG worked toward identifying criteria that would be used to rank the CREZs. Ultimately, EWG adopted a degraded land category, to include abandoned mine lands, brown fields and past oil and gas lands is a good approach. The Department of Conservation was helpful in providing information about such areas.

The Department of Conservation also provides extensive mapping of California's farmland in order to maintain its agricultural vitality. Although the mapping provides extensive information about a significant portion of the State's lands, the categories mapped, which identify productive agricultural land were not applicable for this rating effort.

As with many of the issues balanced throughout this process, stakeholders in RETI are doing their best to account for scarce resources. In doing so the issue of identifying lands which are best suited for renewable generation persists. One approach may be, as the EWG Report points out, a category California Department of Conservation has begun mapping referred to as vacant or disturbed land, which is defined as:

Open field areas that do not qualify for an agricultural category, mineral and oil extraction areas, and rural freeway interchanges. (See California Farmland Conversion Report 2002-2004)

The category seems to capture the focus of a number of interests in identifying a way to minimize impacts on resources on which state policy clearly places high value. Although the areas which have been mapped to date are quite minimal, the concept of those types of land may be an appropriate starting point for future assessments.

Only Limited Assumptions Can Be Drawn About Proxy Projects

Black and Veatch's undertaking to identify and assess renewable resources that might be available in California has been exceptional. But, as next steps are taken it will be prudent to ensure realistic assessments about

those projects. Proxy projects, those that are assumed and serve as stand-ins for actual projects, have driven much of the speculation about the impacts from this effort. Because the current methodology and ranking would interpret CREZs with 100% proxy projects as at a high level of economic and environmental combination, careful scrutiny is required as next steps are taken for how CREZs are used in transmission planning. There is a need to provide further critical assessment of how this information will be utilized. It is understood such an effort is in progress and will ensure appropriate rigor for theoretical assumptions.

Black and Veatch's assessments have revealed resources that would support significant projects, but also demonstrate the potential of distributed generation, particularly solar PV. Distributed generation can and should continue to be an important factor in efforts to achieve the goals encompassed by the 33% RPS. As the Report reveals, the effort to reduce impacts to resources through a 33% RPS in turn affects resources in many ways as well. Distributed generation can be a tool in the effort to find effective solutions.

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